



United States
Department of
Agriculture

Farmers
Home
Administration

Washington
D C.
20250

FmHA AN No. 812 (1900)

■ SUBJECT: Reversals of FmHA County Committee Decisions
on Farm Program Loans

FEB 16 1983

TO: All State Directors, District Directors and
County Supervisors

Recently, we have received a number of farmer program appeal reviews where loan approval officials or appeal hearing officers have determined applicants ineligible after the applicants have been certified eligible by the FmHA County Committee.

FmHA Instructions 1900-B, "Farmers Home Administration Appeal Procedure," provides that the State Director can reverse adverse decisions by the county committee. There are no provisions to reverse a county committee's favorable determination on eligibility.

The loan approval official is not obligated to approve a loan after the County Committee has certified that an applicant is eligible since the approval official must determine that the proposed plan of operation is feasible and that other requirements can be met. However, the loan approval official or appeal hearing officer cannot disregard a county committee's favorable determination. FmHA Instruction 1910-A, §1910.6 (a) includes the requirements that when the applicant has been determined eligible for assistance and additional information becomes available that indicates the original determination may be in error, the application will be reconsidered taking the new information into account. This means that the County Committee would have to be requested to reconsider the application in light of this additional information. It is also imperative that county committee members be properly trained as set out in FmHA Instruction 2057-E, "Training County Committee Members," to assure that they understand the eligibility requirements.

Proper handling of applications and adherence to the appeal procedure will save time for both the appellant and FmHA.

CHARLES W. SHUMAN
Administrator

EXPIRATION DATE: September 30, 1983

FILING INSTRUCTIONS: Preceding
FmHA Instruction 1900-B.

